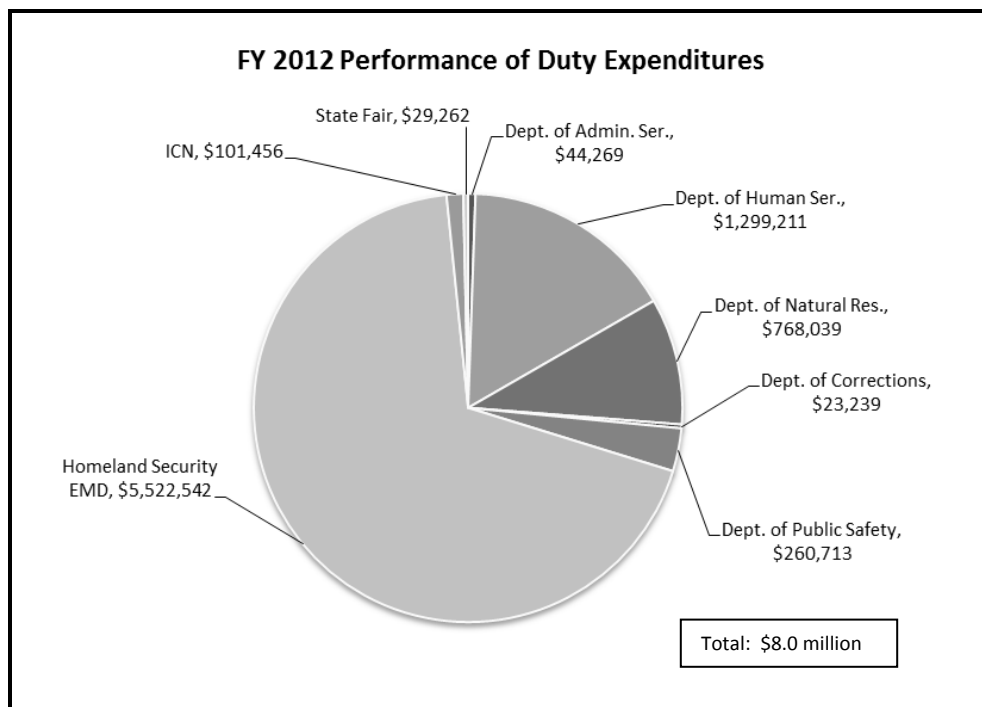


FY 2012 PERFORMANCE OF DUTY EXPENDITURES

Funds Expended. During FY 2012, a total of \$8.0 million was expended through the Performance of Duty appropriation. Of the total, 68.6% (\$5.5 million) was directed to the Homeland Security Emergency Management Division to cover costs associated with natural disasters dating back to 2007. The Department of Human Services (DHS) received 16.1% (\$1.3 million) of the appropriation, mostly for storm-related damage to DHS facilities at various locations throughout the State. The Department of Natural Resources received 9.5% (\$768,000) of the appropriation for storm and fire-related damage at State parks. The remaining 5.7% (\$459,000) of the appropriated funds were allocated to other State agencies and entities for repairs to State property. The chart below shows how the appropriated funds were expended by State agency.

Background. The purpose of the Performance of Duty appropriation is to provide funding for emergency repairs to State property, if sufficient funds are not available in a State agency budget. The appropriation can also be used to fund a portion of the local match for local governmental entities where presidential disasters have been declared. All expenditures from the Performance of Duty appropriation must be approved by the Executive Council. The Performance of Duty appropriation is a standing unlimited appropriation from the State's Economic Emergency Fund.



STAFF CONTACT: David Reynolds (515-281-6934) dave.reynolds@legis.state.ia.us

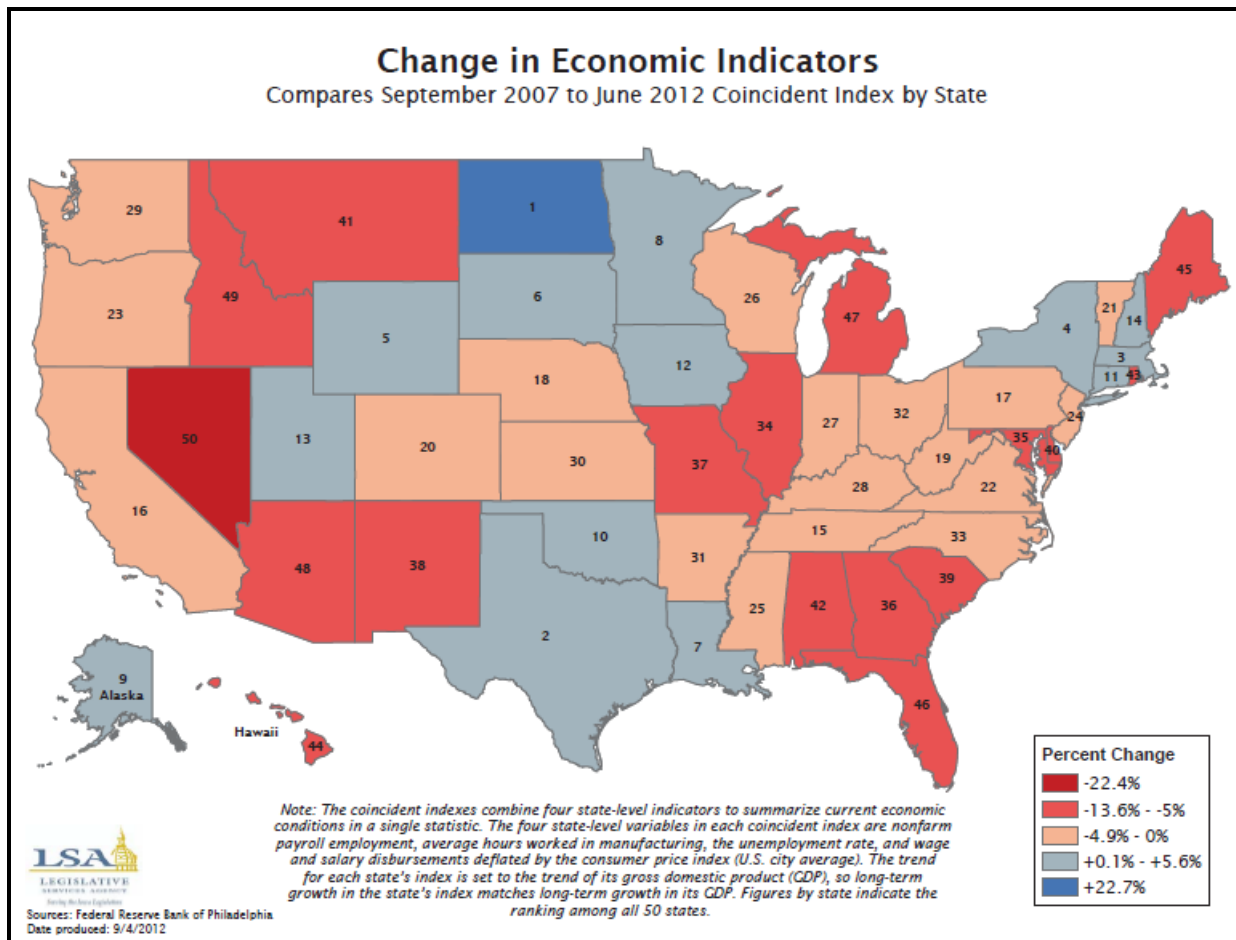
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CHANGE IN STATE ECONOMIC INDICATORS AFTER RECESSION

Local Government Mapping Project. The following map looks at the impact of the recession on each of the 50 states. Data is based on the Federal Reserve Bank of Philadelphia's Index of Coincident Indicators. The Index combines four state indicators into one statistic: nonfarm payroll employment, average hours worked in manufacturing, the unemployment rate, and salary disbursements deflated by the consumer price index (U.S. City Average). The number for each state represents its ranking among the states, with 1 representing the greatest growth (North Dakota) and 50 representing the greatest decline (Nevada). Local government maps are available online at: <https://www.legis.iowa.gov/LSAReports/fiscalMapWeek.aspx>.



STAFF CONTACT: Robin Madison (515-281-5270) robin.madison@legis.state.ia.us

NEW COMMISSIONER OF PUBLIC SAFETY

New Commissioner Appointed. Governor Branstad has named K. Brian London to serve as the new Commissioner of Public Safety. Commissioner London will begin his duties on October 8 at an annual salary of \$145,000. London replaces Larry Noble, who retired from the position earlier this year. Commissioner London has extensive government and law enforcement experience, most recently as an independent security consultant in Tallahassee, FL., after serving as deputy chief for law enforcement at the Florida Department of Financial Services in Tallahassee. London's additional work experience includes executive director at the International Criminal Police Organization (INTERPOL) in Lyon, France, various management positions within the U.S. Customs Service, Special Agent in both the Central Intelligence Agency and the U.S. Secret Service, traffic officer for the California Highway Patrol, and service as a U.S. military officer.

STAFF CONTACT: Jennifer Acton (515-281-7846) jennifer.acton@legis.state.ia.us

ADMINISTRATIVE RULES STAKEHOLDER GROUPS

Executive Order. On August 20, 2012, Governor Branstad issued [Executive Order 80](#) directing Iowa agencies to create stakeholder groups for specific rulemaking activities if requested to do so by the agency director or the Administrative Rules Coordinator in the Governor's Office. Stakeholder group members are determined by the agency in consultation with the Administrative Rules Coordinator. The stakeholder groups "shall consist of stakeholders that can adequately represent the varying interests that will be significantly affected by contemplated draft rule proposal... [and] the appointing agency shall ensure that all significant or known interests have an opportunity to be represented, to the extent practicable." The agency defines the subject matter, limits deliberation to that subject matter, and specifies timeframes for deliberation. Stakeholder groups are advisory and do not constitute agencies for rulemaking purposes. Notice of the creation of stakeholder groups is to be published in the Iowa Administrative Bulletin, and the names of members and their contact information are to be published on agencies' websites. Stakeholder groups are to solicit input from the public and submit formal recommendations to the agency with rulemaking authority.

STAFF CONTACT: Aaron Todd (515-281-6764) aaron.todd@legis.state.ia.us

BUDGET CONTROL ACT OF 2011

Budget Control Act Update. The Legislative Services Agency (LSA) recently published an [Issue Review](#) that provides an overview of the federal Budget Control Act of 2011 (BCA). The review focuses on the automatic procedures, known as sequestration, in the BCA that are designed to lower the federal deficit by reducing federal spending through a combination of across-the-board spending reductions and spending targets designed to restrain government spending on programs not specifically exempted in the law. The BCA reduces federal spending by \$984 billion over ten years, with half of that reduction coming from nonexempt, nondefense programs and the other half from defense spending.

Sequester Impact. The Congressional Budget Office estimates that the sequester will result in 7.8% across-the-board reductions to nondefense programs, and 10.0% across-the-board reductions to defense programs in FFY 2013. Federal Funds Information for States estimates that Iowa's share of this reduction in FFY 2013 will be approximately \$72.5 million in nondefense funding and approximately \$239.4 million in defense funding. There is a table in the issue review that identifies potential cuts to 27 nondefense programs in Iowa. It is important to note that a portion of the federal funding cuts may be passed directly to local governments or contractors. Without action by Congress and the President, the sequester provisions of the BCA are scheduled to be implemented January 2, 2013.

STAFF CONTACT: Aaron Todd (515-281-6764) aaron.todd@legis.state.ia.us

STATE DROUGHT ASSISTANCE

Drought Assistance Efforts. Drought conditions across Iowa and the region have led to federal and state efforts to mitigate drought impacts. Efforts include education and informational releases, regulatory changes, and the declaration of federal disaster areas.

Website Resources. The Governor's Office has provided a [website](#) that presents information to assist the public in dealing with the drought. This includes links to press releases, information, state hotlines and the [Iowa State University](#) (ISU) website for disaster recovery. The ISU Extension has broad information for producers dealing with a variety of drought related issues. The site covers several subjects including crops, livestock, financial concerns and yard maintenance. Iowa State also hosted several drought related webinars that remain available for viewing. The Department of Natural Resources (DNR) is also providing key drought information. The DNR is releasing [bi-weekly maps](#) that illustrate conditions throughout the State. The maps, called the Water Summary Update, show regional drought, stream flow, precipitation and groundwater depth conditions. The document summarizes recent changes and overall conditions over the last year.

State Department Drought Relief Efforts. State departments have begun to take specific actions toward drought relief. In August, the Iowa Department of Agriculture and Land Stewardship (DALS) began requiring aflatoxin screening and testing of milk on August 31st. Aflatoxins are carcinogenic to humans and animals, and may be fatal to livestock. Aflatoxins are produced by molds that develop on damaged corn. Hot and dry conditions create an environment ideal for the development of molds. The screening and testing change will require milk processors to screen all Grade A and Grade B milk. The DALS is also instituting a statewide corn sampling program. The DALS submitted a request to the U.S. Food and Drug Administration (FDA) to allow corn containing small amounts of aflatoxin to be blended with corn not containing aflatoxin for animal feed. In previous years the FDA has granted similar requests.

Changes for Livestock. In August, federal authorities allowed haying and grazing on Conservation Reserve Program (CRP) lands. The DALS is allowing farmers enrolled in the CRP with land available for haying to be listed in the State hay and straw directory. Additionally, the DALS has allowed corn available for chopping to be listed on the hay and straw directory. The DNR is permitting livestock to hay and graze on State-owned land. A total of 365 acres of State-owned land have been hayed and grazed.

Disaster Designations. The U.S. Secretary of Agriculture has issued several Secretarial Natural Disaster Designations for Iowa counties. All 99 Iowa counties are now covered under disaster designations. Designations include 81 primary counties, and 18 "contiguous" counties that surround primary counties. With these designations, Iowa counties are eligible for disaster aid. Impacted producers can contact their local Farm Service Agency (FSA) office for more information regarding eligibility for low-interest emergency loans. Small nonfarm businesses impacted by the drought may be eligible to apply for loans from the Small Business Administration at www.sba.gov/service/disasterassistance.

Fishing Impact. The drought has provided opportunities to eliminate problem rough fish (common carp and buffalo) from some natural lakes. Rough fish damage natural habitat and decrease water quality. This fall, the DNR is launching a project in Black Hawk Lake to remove rough fish, and begin restocking game fish. According to the DNR, drought conditions will reduce project costs by \$250,000. Rough fish removal was part of a long-term lake restoration plan, but was not planned for this year.

More Information. Additional information on Iowa's drought is available on the Homeland Security and Emergency Management website at www.homelandsecurity.iowa.gov/disasters/drought2012.

STAFF CONTACTS: Adam Broich (515-281-8223) adam.broich@legis.state.ia.us
Jennifer Acton (515-281-7846) jennifer.acton@legis.state.ia.us

JUSTICE ASSISTANCE GRANT PROGRAM

Grant Awards. The Justice Assistance Grant (JAG) awards can be used for the following seven purposes:

- Law Enforcement
- Prosecution and Courts
- Prevention and Education
- Corrections and Community Corrections
- Drug Treatment
- Planning, Evaluation, and Technology Improvement
- Crime Victim and Witness Programs

Funding. For Federal Fiscal Year 2012, a total of \$295.6 million was allocated, with \$288.4 million disbursed to the States and \$7.2 million to territories and the District of Columbia. Of the \$288.4 million available to States, \$115.3 million went to local governments and \$173.0 million went to State governments.

Iowa Allocation. Iowa's total allocation was \$2.8 million. The initial allocation for the State was \$1.7 million and \$1.1 million was allocated to local governments. This was based on the State's share of violent crime and population (weighted equally). After applying the four-step award calculation process, the eligible local award amount totaled \$785,000 and the amount reallocated to the State was \$336,000 for a total State government award of \$2.0 million.

On the Web. The JAG report is available at: <http://www.bjs.gov/index.cfm?ty=pbdetail&iid=4432>.

STAFF CONTACTS: Jennifer Acton (515-281-7846) jennifer.acton@legis.state.ia.us
Beth Lenstra (515-281-6301) beth.lenstra@legis.state.ia.us

EMPLOYMENT OF OFFENDERS REPORT

Report Results. Iowa Prison Industries (IPI) administers the private sector employment of offenders under Iowa Code section [904.809](#). Offenders worked 290,300 hours in private sector employment in FY 2012, an increase of 12.2% compared to FY 2011. Gross wages were \$2.7 million in FY 2012, an increase of 17.7% compared to FY 2011. Deductions for offender wages increased for all of the following items: family and child support, restitution and victim compensation, offender savings accounts, deposit to the State General Fund, and amount retained by the Institutions.

STAFF CONTACT: Beth Lenstra (515-281-6301) beth.lenstra@legis.state.ia.us

NEW AUDIO FISCAL TOPICS

Recently Published. The LSA recently published three new audio fiscal topics. These audio interviews are available on the Iowa General Assembly website at:
<https://www.legis.iowa.gov/LSAReports/AudioVideo/fiscalOneOnOnesAudio.aspx>.

- **Title** – State Athletic Commissioner
Description – Interview by Kent Ohms with Michael Mauro, Labor Commissioner, regarding his role as the State Athletic Commissioner.
- **Title** – Overview of the Department of Corrections' Iowa Corrections Offender Network (ICON)
Description – Interview by Beth Lenstra with John Baldwin, Director of the Department of Corrections, regarding a general overview and funding of the ICON System.

- **Title** – The founding of Iowa's Community College System
Description – Interview by Robin Madison with Senator Jack Kibbie regarding the creation of the Community College System in Iowa.

Email Notification. A listserv is available to sign up for email alerts when a new Fiscal One-on-One is published: <https://www.legis.iowa.gov/Subscribe/subscriptions.aspx>.

STAFF CONTACTS: Jennifer Acton (515-281-7846) jennifer.acton@legis.state.ia.us
Robin Madison (515-281-5270) robin.madison@legis.state.ia.us

VERTICAL INFRASTRUCTURE ADVISORY COMMITTEE ELIMINATED

Executive Order. On August 20, 2012, Governor Branstad issued [Executive Order 79](#) that rescinded 12 previous executive orders. Included in the rescinded executive orders, was [Executive Order 3](#) from 1999 that had established the Rebuild Iowa Infrastructure Advisory Council and its committees, including the Iowa Vertical Infrastructure Advisory Committee (VIAC).

VIAC Background. The VIAC was established to annually develop, and submit to the Governor, recommendations for maintaining and updating the inventory and assessment of the State's infrastructure, develop and evaluate priorities for needs of existing buildings, and develop five-year comprehensive plans for the priority of capital projects for State infrastructure, not including facilities under the Board of Regents. The Executive Order required recommendations and reports to be submitted to the Governor. The VIAC submitted annual reports with its recommendations to the Governor and the General Assembly. The Department of Administrative Services (DAS) provided staffing for the Committee. The VIAC met throughout the year at different State locations and discussed proposed use of infrastructure appropriations, especially for major maintenance, as well as outstanding needs of the facilities. The DAS Vertical Infrastructure Program ranked and prioritized infrastructure and major maintenance projects and provided its recommendations for the VIAC to approve.

Continued Program Function. With the elimination of the VIAC, the DAS Vertical Infrastructure Program will function as before. The DAS indicated that the same definitions and rankings for major and routine maintenance will remain. For agencies and facilities that are under the scope of the DAS Vertical Infrastructure Program, the effect of the elimination of the VIAC should be minimal. For the DAS, the elimination of the VIAC reduces some of its administrative overhead that came from staffing, traveling to the sites with the Committee, and preparing the annual report on behalf of the Committee. The five-year comprehensive plans for the priority of capital projects managed by the DAS had been required under the Executive Order, but are not required in statute. It is not known at this time whether the DAS will continue to provide these five-year comprehensive plans.

STAFF CONTACT: Marcia Tannian (515-281-7942) marcia.tannian@legis.state.ia.us

OFFICE OF DRUG CONTROL POLICY MOVE COMPLETED

Location Change Required. Senate File 2313 (FY 2013 Administration and Regulation Appropriations Act) required the Office of Drug Control Policy (ODCP) to collocate with the Department of Public Safety (DPS) and permitted the DPS to supply administrative support to the ODCP. The Act reduced the General Fund appropriation to the ODCP by \$50,000 and reduced staffing from 8.0 to 4.0 FTE positions.

Staff Sharing Agreement. On July 3, 2012, the ODCP and DPS signed a memorandum of understanding for the DPS to provide administrative support and to receive compensation for those services. The reduction in force took place on July 27, eliminating the four required positions. Three of the employees left State employment, and one found employment with another State agency. By August 22, the ODCP had completed its move and is housed in the Oren Pape State Office Building with DPS.

Savings Projected. The ODCP projects savings of \$91,000 from the personnel reductions after employment payouts. Approximately two-thirds of the general office budget comes from federal and other sources, so the majority of these savings will be passed along to community programs. The ODCP now occupies less than half the space as prior to the move and estimates savings of \$7,500 in rent charges by the DAS.

STAFF CONTACTS: Dwayne Ferguson (Ext. 16561) dwayne.ferguson@legis.state.ia.us
Ron Robinson (Ext. 16256) ron.robinson@legis.state.ia.us

BOARD OF CORRECTIONS MEETING

Board Meeting. The Board of Corrections met August 24 at the Fort Des Moines Residential Facility. Fifth Community-Based Corrections (CBC) District Director Sally Kreamer welcomed the Board and guests to the facility. Director John Baldwin provided a brief update to the Board, focusing on re-entry of offenders to their local communities. Deputy Director Diann Wilder-Tomlinson presented information on the Achieving Performance Excellence (APEX) Initiative sponsored by the National Institute of Corrections. The APEX is a business model that offers a systems approach for incorporating change into the corrections system.

Preliminary Budget Request. Deputy Directors Brad Hier, Jerry Burt, Jerry Bartruff, and Diann Wilder-Tomlinson presented a preliminary summary of the Department of Corrections (DOC) budget request for FY 2014. Wardens and CBC District Directors were available to provide additional information. The budget request is focused on:

- Operating funds to open 177 CBC residential beds located at Waterloo, Sioux City, Cedar Rapids, Davenport, and Ottumwa.
- Initial start-up staffing for the new prison beds at Mitchellville and Fort Madison.
- Critical staffing to restore positions that were eliminated due to budget reductions or loss of federal grants.
- Cognitive programming and mental health needs as well as contracts for education, drug courts, mental health, and substance abuse treatment.
- Additional staffing to meet federal regulations related to the Prison Rape Elimination Act (PREA).

Preliminary Capital Budget Request. Deputy Director Brad Hier provided a summary of the DOC's preliminary capital budget request for additional CBC residential beds and major maintenance.

Model Legislation. Board member Johnie Hammond presented model legislation for pregnant offenders. Discussion followed.

Next Meeting. The next meeting of the Board of Corrections is scheduled for September 14, 2012, at the Iowa Prison Industries show room in Des Moines.

STAFF CONTACT: Beth Lenstra (515-281-6301) beth.lenstra@legis.state.ia.us

DEPARTMENT OF PUBLIC SAFETY ALLOCATION NOTICE

Allocation Notice Change. The LSA received a change in an allocation notice from the DPS on August 24, 2012. The total change is \$670,000 for multiple divisions within the Department to cover the shortfall in the Iowa State Patrol and Narcotics Enforcement Division related to increased fuel costs. The change reallocates \$520,000 from the Division of Criminal Investigation and \$150,000 from the Administrative Services Division and transfers \$650,000 to the Iowa State Patrol and \$20,000 to the Narcotics Enforcement Division for FY 2012.

STAFF CONTACT: Jennifer Acton (515-281-7846) jennifer.acton@legis.state.ia.us

UPCOMING MEETINGS

Revenue Estimating Conference. The Revenue Estimating Conference (REC) is scheduled to meet Thursday, October 11 at 10:00 a.m. in Room 116 of the State Capitol Building. The REC will review the revenue estimate for FY 2013 and make preliminary projections for FY 2014.

REC Staff Contact: Jeff Robinson (515-281-4614) jeff.robinson@legis.state.ia.us

Fiscal Committee. The Legislative Fiscal Committee is scheduled to meet Thursday, October 18 at Iowa State University in Ames, Iowa. The agenda has not been finalized. Check the General Assembly website for more information as it becomes available: <https://www.legis.iowa.gov/index.aspx>

Fiscal Committee Staff Contacts:

Deb Kozel (515-281-6767) deb.kozel@legis.state.ia.us

Dave Reynolds (515-281-6934) dave.reynolds@legis.state.ia.us

MEETINGS MONITORED

The following meetings were monitored by Fiscal Services staff. Please contact the staff listed for more information.

Meeting	Date	Staff Contact
E911 Task Force	08/15/2012	Beth Lenstra (515-281-6301)
Environmental Protection Commission	08/21/2012	Deb Kozel (515-281-6767)
Board of Corrections	8/24/2012	Beth Lenstra (515-281-6301)
Insurance Committee	8/30/2012	Ron Robinson (515-281-6256)
Soil Conservation Committee	9/04/2012	Deb Kozel (515-281-6767)
E911 Task Force	9/10/2012	Jen Acton (515-281-7846) Beth Lenstra (515-281-6301)
Criminal and Juvenile Justice Planning Advisory Council	9/12/2012	Jen Acton (515-281-7846) Beth Lenstra (515-281-6301)
Public Safety Advisory Board	9/12/2012	Beth Lenstra (515-281-6301)

This document is available on the LSA website: <http://www.legis.state.ia.us/Fiscal/fiscupdt/>